

Town Of Mammoth



June 23, 2016

Debra Davenport, Auditor General
Arizona Office of the Auditor General
2910 North 44th St., Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport;

Mammoth's Responses to Auditor General Recommendations:

1.2 Recommendation: The Town of Mammoth should ensure it continues to repay its Road Fund for the inappropriately loaned restricted Road Fund monies. Also, Mammoth should ensure that it does not loan any restricted Road Fund monies, including excise tax monies, to other funds in the future. If the Office of the Auditor General determines at its 6 to 18 month follow-up that the Town of Mammoth did not continue to repay its inappropriately used excise tax monies, in accordance with the provisions of A.R.S. §28-6392(B), the Arizona Department of Transportation, upon notification by the Auditor General, should notify the Arizona State Treasurer to withhold excise tax revenues from the Town of Mammoth until it can present satisfactory evidence to the Auditor General that it has repaid inappropriately loaned monies.

Response – The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

1.3 Recommendation: The Town of Mammoth should examine excise tax expenditures recorded during fiscal years 2011 through 2015 to identify monies spent for purposes other than highways and streets or transportation projects. Once identified, Mammoth should repay the inappropriate expenditures.

Response – The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented if the Town finds that expenditures were made from excise tax revenues for purposes other than highways and streets or transportation projects because they are currently under a payment plan.

1.4 Recommendation: The Town of Mammoth should develop and implement policies and procedures that, at a minimum:

- Define the allowable uses of excise tax monies;

Handicapped individuals with special accessibility needs may contact the ADA Coordinator for the Town of Mammoth, at (520) 487-2331 (V/TDD)

- Outline step-by-step procedures for the review and approval of excise tax expenditures by an individual familiar with the restrictions of excise tax monies; and
- Reconcile excise tax revenues recorded at least annually.

The Town should then train all individuals responsible for the use of excise tax monies on the new policies and procedures.

Response – The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

2.1 Recommendation: The Town of Mammoth should consider conducting a transportation study to evaluate its road systems and identify the most critical current and future transportation needs to help it prioritize its use of excise tax monies.

Response – The finding of the Auditor General is agreed to and a different method of dealing with the finding will be implemented. The Town may have someone with the expertise to complete the study or apply for a Grant through ADOT.

2.2 Recommendation: The Town of Mammoth should develop and implement a planning process to help identify and prioritize projects.

Response – The finding of the Auditor General is agreed to and audit recommendation will be implemented.

2.3 Recommendation: The Town of Mammoth should develop and implement policies and procedures detailing appropriate recordkeeping for the use of road fund monies.

Response – The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

We have just released our final FY13 audit and the FY14 audit started on 6-22-16. After completion of the FY14 audit, we move on to FY15 and will have completed by the end of the year. If you have any questions, please let me know.

Mayor Don Jones
Town of Mammoth, Arizona

6-23-16

Date



TOWN OF SUPERIOR

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520-689-5752 • Fax: 520-689-5822 • TDD Relay 1-800-367-8938

June 3, 2016

Debbie Davenport
Auditor General
Office of the Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Re: Pinal County Excise Tax Audit

Dear Ms. Davenport,

The Town of Superior (Town) appreciates the opportunity to provide this response to the Auditor's General's report draft on the Pinal County Excise Tax Audit. The Town values the collaborative effort of the Auditor General's staff throughout this audit.

Enclosed is the Town's response to each individual recommendation. Thank you again for the opportunity to provide feedback, we believe that the information in the Auditor General's report will be constructive in helping the Town to improve its accounting procedures for excise tax funds.

Sincerely,

Todd Pryor
Town Manager



TOWN OF SUPERIOR

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The Town of Superior's response to the Auditor General's recommendations is described below:

Recommendation 1.1

The Town of Superior should repay its Road Fund for the inappropriately loaned restricted road fund monies and discontinue the practice of loaning restricted Road Fund monies, including excise tax monies, to other funds. If resources are not currently available to completely repay the loans, a repayment schedule should be developed and implemented.

Town of Superior Response:

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The town has begun repaying its Road Fund, and the fund imbalance is decreasing. This is documented by an inter-fund transfer in our adopted budget.

Recommendation 1.3

The Town of Superior should examine excise tax expenditures recorded during fiscal years 2011 through 2015 to identify monies spent for purposes other than highways and streets or transportation projects. Once identified, Superior should repay the inappropriate expenditures.

Town of Superior Response:

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The town is the process of completing its audits for the 2014 and 2015 fiscal years and they will be completed by the end of the 2016 calendar year. The town will review the expenditures applied to excise and verify their applicability. The Town will continue to pay down the fund imbalance as revenues become available.

Recommendation 1.4

The Town of Superior should develop and implement policies and procedures that, at a minimum:

- Define the allowable uses of excise tax monies;
- Outline step-by-step procedures for the review and approval of excise tax expenditures by an individual familiar with the restrictions of excise tax monies; and

- Reconcile excise tax revenues recorded at least annually.

The Town should then train all individuals responsible for the use of excise tax monies on the new policies and procedures.

Town of Superior Response:

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The Town of Superior has a contract with a CPA firm to perform financial oversight and reconciliations. As a part of this agreement, the accounting firm will develop a set of financial policies and procedures. The Town will be implementing these policies and procedures, and training all employees within the 2017 fiscal year.

Recommendation 2.2

The Town of Superior should develop and implement a planning process to help identify and prioritize projects.

Town of Superior Response:

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The Town is in the process of completing a pavement assessment study in cooperation with ADOT, including a maintenance and improvement plan. This plan will be completed by the first quarter of 2017, and will be used to prioritize future projects.

Recommendation 2.3

The Town of Superior should develop and implement policies and procedures detailing appropriate recordkeeping for the use of road fund monies.

Town of Superior Response:

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The Town will be implementing policies and procedures and training all employees on these policies within the 2017 fiscal year.



June 16, 2016

Debra K. Davenport, CPA
Auditor General
State of Arizona
2910 North 44th Street, Suite 410
Phoenix, AZ 85018

Dear Ms. Davenport:

I am in receipt of your letter dated June 9, 2016 related to the performance audit of the Pinal County Transportation Excise Tax. I have also reviewed the preliminary report draft that accompanied your letter and, specifically, the portions of Finding 1 related to the Arizona Department of Transportation (ADOT) and provide the following comment:

The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

The final report should be directed to my attention.

Sincerely,

Kristine Ward
Chief Financial Officer